

- WAYS AND MEANS COMMITTEE -

Proposed Committee Amendment to H.R. 4333, Technical Corrections Act of 1988

Fiscal Years 1988-91
(Millions of Dollars)

Item	1988	1989	1990	1991	1988-91
I. TECHNICAL CORRECTIONS ACT OF 1988 (H.R. 4333), as introduced.....	-48	38	52	44	86
II. WAYS AND MEANS SUBCOMMITTEE PROPOSALS					
A. Public Assistance Subcommittee: Extend the Foster Care Independent Living Program and AFDC Quality Control moratorium (1).....	---	-36	-9	--	-45
B. Social Security Subcommittee: Make minor and technical benefit and tax adjustments to the Social Security Act (1).....	---	-27	-42	-24	-93
Subtotals: WAYS AND MEANS SUBCOMMITTEE PROPOSALS.....	---	-63	-51	-24	-138
III. PROPOSALS BY OTHER HOUSE COMMITTEES					
A. Interior Committee: Exempt earnings of, and distributions from, Enjebi Community Trust Fund (effective for all open taxable years).....	(2)	(2)	(2)	(2)	(3)
B. Merchant Marine Committee: Extend commencement date of Oil Spill Liability Trust Fund and tax on petroleum through 1990 (effective date of enactment).....	---	--	--	--	--
Subtotals: PROPOSALS BY OTHER HOUSE COMMITTEES.....	(2)	(2)	(2)	(2)	(3)
IV. TIME-SENSITIVE SIMPLIFICATION AND CLARIFICATION PROPOSALS					
A. Additional Technical Corrections.....	-5	-3	--	2	-6
B. Employee Benefits					
1. Revise sanction for violation of the COBRA health care continuation rules (effective for taxable years beginning after 1988).....	(4)	(4)	(4)	(4)	(3)
2. Simplify fringe benefit non-discrimination rules (section 89) (effective for years beginning after 1988).....	(2)	(2)	(2)	(2)	(3)
C. Eliminate gift tax liability on creation of spousal joint and survivor annuities (effective after December 31, 1981).....	(2)	(2)	(2)	(2)	(3)
D. Provisions affecting section 457: Codify IRS Notice 86-68, delay effective date for collectively-bargained plans, and exempt nonelective deferred compensation paid to independent contractors (effective for taxable years beginning December 31, 1987).....	---	-25	-31	-33	-89
Subtotals: TIME-SENSITIVE SIMPLIFICATION AND CLARIFICATION PROPOSALS.....	-5	-28	-31	-31	-95

Item	1988	1989	1990	1991	1988-91
V. EXTENSIONS					
A. Extend educational assistance through 1990 and deny benefit with respect to certain education leading to post-graduate degree for years beginning after 1988.....	-90	-349	-308	-93	-840
B. Extend low-income housing credit through 1990.....	--	-26	-172	-345	-543
C. Extend mortgage revenue bonds through 1990 with new program targeting (effective after December 31, 1988).....	--	-9	-64	-102	-175
D. R & D Provisions	--	-401	-816	-366	-1,583
1. Extend R & D credit through 1990.....	--	136	277	124	537
2. Reduce section 174 R&D expensing deduction by amount of section 41 R&D credit (effective for taxable years beginning after December 31, 1988).....	--	-349	-540	-597	-248
3. Adopt Treasury Reg. sec. 1.861-8 compromise (67% solution) with gross sales cap (effective 1987 through 1990) and allocate 67% of foreign-conducted research to foreign sources (effective for taxable years beginning after June 21, 1988).....	--	-47	-130	-138	-315
E. Extend targeted jobs tax credit through 1990 with new program targeting.....	--	-38	-262	-314	-377
F. Adopt permanent exemption of publicly-offered regulated investment companies from 2% floor on miscellaneous itemized deductions.....	-84	-232	-61	-62	-439
G. Adopt permanent modification of diesel fuel excise tax collection and exemption procedures for off-highway business users (effective July 1, 1988).....	-561	-1,730	-2,185	-1,607	-6,083
Subtotals: EXTENSIONS.....					
VI. REVENUE RAISERS					
A. Reduce portfolio dividends received deduction from 70% to 60% in 1989, 55% in 1990, and 50% beginning in 1991 and thereafter..	--	231	507	737	1,475
B. Repeal completed contract method of accounting (effective for contracts entered into on or after June 21, 1988).....	92	585	1,030	710	2,417
C. Restrict single-premium and investment-oriented life insurance and annuity products (generally effective for amounts attributable to premiums paid on or after June 21, 1988).....	7	94	196	349	646
D. Accelerate corporate estimated taxes (effective for taxable years beginning after December 31, 1988).....	--	742	83	44	869
E. Repeal Alaska Native Corporations grandfather for certain losses after April 26, 1988.....	75	300	225	225	825
Subtotals: REVENUE RAISERS.....					
GRAND TOTALS.....					
Joint Committee on Taxation - June 21, 1988					
(1) Includes increases in outlays.					
(2) Loss of less than \$500,000.					
(3) Totals are not available for estimates represented by footnotes.					
(4) Gain of less than \$500,000.					